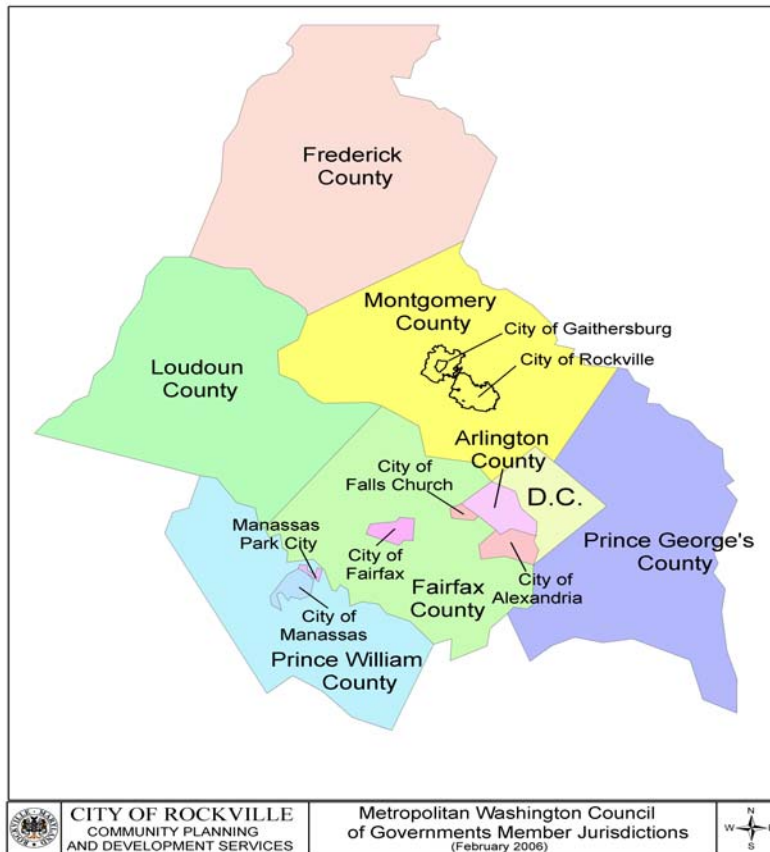


### **Population, Household and Employment Forecast for the City of Rockville:**

The Community Planning and Development Services Department of the City of Rockville prepares the official employment, population and household forecast for the City. This report presents current forecasts of population, housing and employment for the City of Rockville through 2030. The report also outlines the methodology used to develop this series of forecasts.

### **The Cooperative Forecasting Process:**

The forecasts presented in this report were produced in cooperation with other local governments<sup>1</sup> as a part of a regional effort coordinated by the Metropolitan Washington Council of Governments (COG). This regionally coordinated forecasting effort is called the “Cooperative Forecasting” process. The cooperative forecasts serve as a key data source for the COG transportation model, which is developed to determine the regions conformity with the EPA air quality regulations. The forecasts are also used by COG to conduct regional land use analyses. Representatives from each jurisdiction prepare their forecasts independently, but a COG forecasting committee convenes to discuss methodologies and assumptions.



<sup>1</sup> The jurisdictions included in the Cooperative Forecasts for the region are: Washington DC; Fairfax, Arlington, Loudoun, Prince William, and Stafford Counties, and the Cities of Alexandria, Falls Church, Fairfax, Manassas and Manassas Park in Virginia; and Montgomery, Prince George's, Calvert, Charles and Frederick Counties in Maryland. The City of Rockville forecasts are included in Montgomery County totals.

*Major* rounds of cooperative forecasts (e.g., Round 6, Round 7) generally are produced about every three to four years when new data from the US Census Bureau or other sources is available. *Minor* rounds (e.g. Round 6.1, Round 7.1) are produced annually or bi-annually, in which jurisdictions make adjustments to forecast series taking into account revised land use plans or pipeline projects, changes to underlying assumptions, or new data.

#### **How the City of Rockville Forecasts are Prepared:**

Forecasts of population, households and employment for the City of Rockville are based on existing development, projects approved for development by the City Council and the Planning Commission (pipeline projections) and estimates of future development based on existing zoning or master plans. Baseline information on household and population is from Census 2000, while baseline employment data is developed in-house. The forecasts are developed such that they are consistent with market conditions, planned transportation improvements, and adopted land use plans and zoning requirements. Assumptions about commercial vacancy rates, average household sizes, and square feet of office/commercial space per employee were made in coordination with COG to generate forecasts of people and jobs from the development forecasts. The data is combined with the regional projections to forecast employment and household numbers at the traffic zone (TAZ) level.

Table 1 below summarizes estimates and forecasts of population, households and employment for the period of 2000 through 2030.

Highlights of the changes from 2000 to 2030 are as follows:

- Population will increase by 57.6 percent from 47,388 to 74,693
- Households will increase by 73.3 percent from 17,193 to 29,798
- Employment will increase by 58.3 percent from 68,739 to 108,815

**Table 1. Round 7.1<sup>2</sup> Forecasts- City of Rockville, Maryland**

	2000*	2005	2010	2015	2020	2025	2030	Change 2000- 2030	Percentage Change 2000-2030
Population*	47,388	59,556	67,476	73,683	73,962	74,591	74,693	27,305	57.6%
Household*	17,193	22,485	26,306	29,348	29,463	29,763	29,798	12,605	73.3%
Employment**	68,739	78,693	94,089	103,278	104,898	108,215	108,815	40,076	58.3%

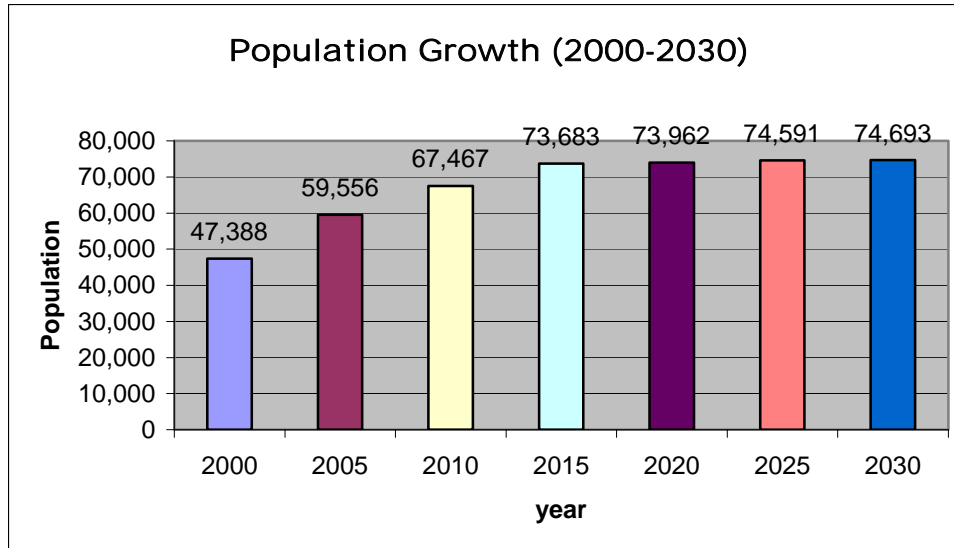
\*Baseline Population and Household numbers are from US Census 2000

\*\*Baseline employment numbers are developed in-house

<sup>2</sup> Round 7.1 numbers were adopted by the COG Board in May 2007

### Population Growth:

The household and population numbers reflect planned and potential development over the forecast period. The city population is expected to grow to 74,693, an increase of 27,305 people, or 58 percent from 2000 to 2030. Baseline data for the population forecast is based on 2000 Census data.

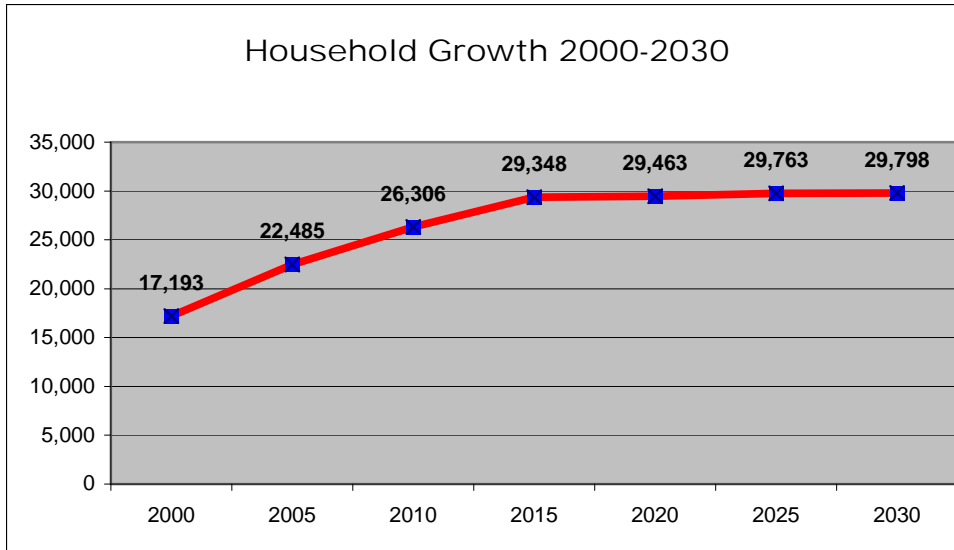


Increase in population numbers in 2005 and 2010 are as a result of the build-out of large developments including King Farm and Fallsgrove. The next period 2010-2020 is characterized by high-density development located in the City's Metro Stations, Town Center and along Rockville Pike. Development projects in this period may include projects such as Twinbrook Station and Upper Rock, as well as projects in Town Center like Duball and KSI. King Farm continues to develop with new projects like Ingleside that primarily cater to the needs of senior citizens. Beyond 2020, new residential development in the pipeline is predominantly multifamily rentals or condominiums.

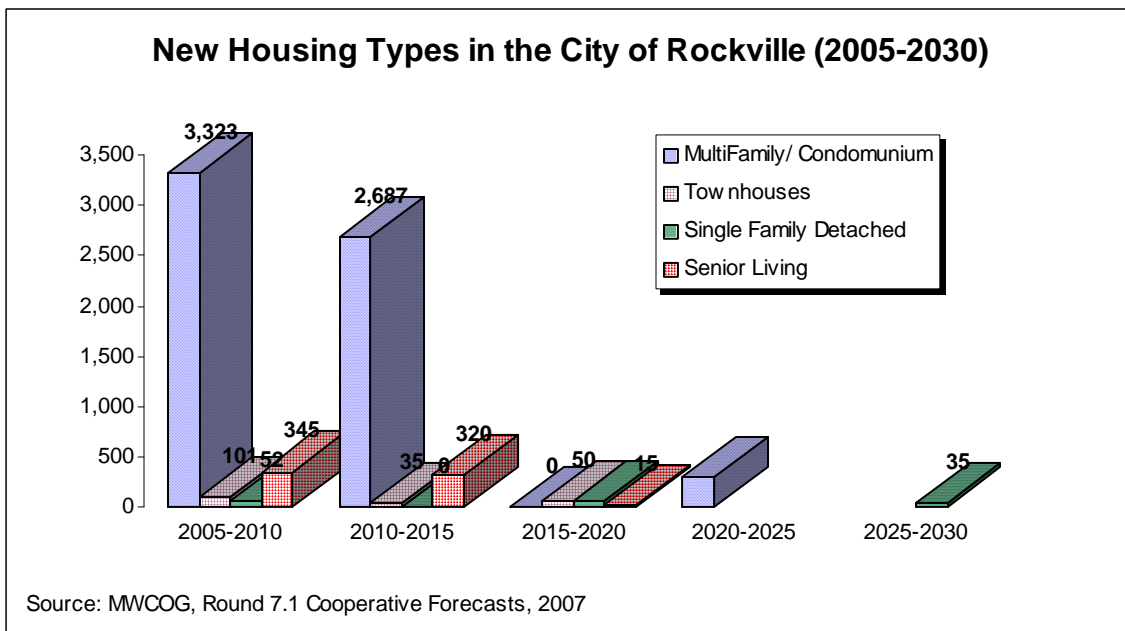
### Household Growth:

Households are defined as occupied units and include both families (i.e., groups of people that are related) and non-families. Baseline data on households is from 2000 Census data. The total number of households in the City of Rockville is expected to grow by 12,605 between 2000 and 2030, from 17,193 to 29,798, an increase of almost 74 percent. The rate of growth of households is higher than the population growth as a result of declining average household sizes<sup>3</sup> over the forecast period. Household size is decreasing because the majority of development in the forecasting period is for multifamily units where the household size is smaller.

<sup>3</sup> The average household size developed by Washington Metropolitan Council of Governments (COG) to be used for population calculations is 2.095 for a multifamily unit, 2.597 for a Single Family Attached Unit, and 2.915 for a Single Family Detached Unit.



Like population, household growth is projected to increase faster in the beginning of the forecast period when rapid re-development has either occurred or approvals are in place, and slow towards the end when scarcity of development sites will preclude growth. As reflected in the chart below, multifamily and condominiums projects will dominate future residential development in the City of Rockville. The percentage of population living in multifamily or a condominium type of housing is projected to be 75% in all development proposed between 2000 and 2030, reflecting an emphasis on smart growth, and also points to a trend that compact development, also called densification, will become a necessity, because of scarcity of developable land in Rockville.



The households of today are much different than that of 30 to 40 years ago, because of the diversity in population and the aging of the baby boomers. Condominium living is

becoming increasingly attractive to a changing population that prefers to live in vibrant downtowns, with amenities like arts and entertainment, walkability options, and proximity to public transportations. This trend of demographics shift is reflected in the household projections in the City.

### **Employment Growth:**

The total number of jobs in the City of Rockville also referred to as “at-place employment” is projected to increase from 68,739 in 2000 to 108,815 in 2030, an increase of 40,076 jobs or 58.3 percent. Baseline data for employment forecasts were compiled from several sources, including Dun & Bradstreet data (data provided to GOG by a private firm), state unemployment insurance data (known as ES-202 data), US Census County Business Patterns, Maryland-National Capital Park and Planning Commission (M-NCPPC), and Montgomery County Public Schools. Estimates of number of employees are based on a standard average space occupied per employee<sup>4</sup>. Vacancy rates have been used for office job calculations. Actual vacancy numbers were obtained from regional real estate firms<sup>5</sup> and used to calculate vacancies in 2000 and 2005. For future forecast periods a vacancy rate of 8 percent is assumed.<sup>6</sup>

The number of jobs in the City of Rockville is expected to grow faster than the number of residents over the forecast period, suggesting the City’s growing importance as a regional employment center. The Washington area’s real estate market continues to remain strong, with low vacancy rates and high rents. Government agencies and contractors, law firms, educational groups and associations continue to lease large chunks of space. In recent years, the price of real estate increased dramatically to levels that are potentially unsustainable. Data collected by real estate firms indicate that out of the top ten biggest real estate deals in Maryland in 2006, four were in the City of Rockville.<sup>7</sup> These include properties in the King Farm (700-800 King Farm Blvd), Rockville Town Center (401 N. Washington Street), Kaiser Permanente at 1396 Piccard Drive, and 1901 Research Boulevard. These acquisitions indicate that the market is strong and relatively stable, compared with other cities that depend on volatile industries.

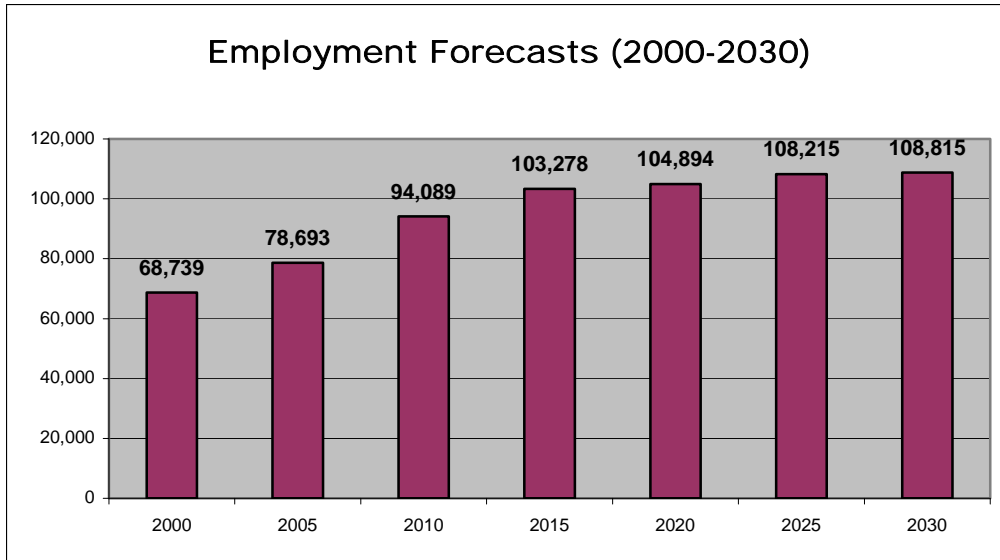
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<sup>4</sup>Estimates for average space per employee per square feet as developed by Metropolitan Washington Council of Governments (COG) is 250 for office, 400 for retail, 450 for industrial and 500 for other uses.

<sup>5</sup> CoStar Group, Inc. is a Bethesda based company used by COG members for information on non-residential properties. The data from CoStar is used to analyze market conditions and forecast future trends by calculating current vacancy rates.

<sup>6</sup> In reviewing CoStar data from 1990-2000, it was concluded that 8% vacancy rate is more average for the City of Rockville. In general, for a financial institution to finance an office development, assuming a vacancy rate anywhere from 8% to 10% is considered acceptable.

<sup>7</sup> Source: The Washington Post, Business Section, January 8, 2007.



The fastest period of job growth is expected to occur between 2005 and 2010, when the number of jobs is expected to increase by 19.4 percent. Major projects in the pipeline for this period include Twinbrook Commons, Upper Rock District, Fallsgrove, Irvington Center at Kingfarm, as well as projects in the Town Center and Rockville Pike. Development of the above projects is largely planned to occur in phases, with the last phases expected to develop in between 2010-2020. In the 2020-2030 period, a more moderate growth is expected, with projects like Tower Oaks continuing build out and as sites along Rockville Pike become attractive.

**Summary:**

Since the City bases its forecasts on actual projects, it is difficult to estimate new projects in the pipeline 15-20 years from now. Forecasts in the 2020 to 2030 periods represent potential projects and not the actual development capacity of the region. As a maturing jurisdiction, the City faces diminishing resources such as available land and transportation capacity that can sustain rapid growth. Depending on the existing economic conditions, there remains potential for tremendous new re-development projects during the entire forecast period, primarily because of the City's proximity to the Washington region's almost fully developed core. Future development in Rockville will be a matter of infill, densification and retrofitting of underused sites. Development in the City center and vicinity is projected to be the primary focus of continuing employment and population growth in the next ten years and beyond.